



**HF 565** – Human Services Local Offices, Funding (LSB2596HV)  
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 Fiscal Note Version – New

**Description**

**House File 565** requires the Department of Human Services (DHS) to reimburse a county at least 40.0% of the actual cost of maintaining office space and providing supplies and equipment. This requirement is effective beginning in FY 2017. Each subsequent fiscal year, the reimbursement is increased by 5.0% until the DHS reimburses a county at 60.0%.

The Bill also permits a Board of Supervisors to adopt a resolution requesting negotiations with the DHS over the amount required to be paid by the county in order to provide and maintain office space and support for the DHS staff.

**Background**

Iowa Code section [217.32](#) requires counties to provide office space and support to the DHS. Consistent with this section, the DHS currently reimburses county governments for this expense with federal funds. The current reimbursement rate for counties is 37.3% of costs incurred.

**Assumptions**

- County indirect costs will increase by 5.0% each year.
- Federal funds for this purpose have been maximized so any increase to reimbursement rates will need to be covered by State General Fund dollars.

**Fiscal Impact**

This Bill is estimated to increase DHS General Fund expenditures beginning in FY 2017 and as outlined in the following table.

FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
\$ 563,000	\$ 1,653,000	\$ 2,815,000	\$ 4,054,000	\$ 5,376,000	\$ 6,782,000

**Source**

Department of Human Services

/s/ Holly M. Lyons

March 16, 2015

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.